

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ HOLE ☒ WATER SANDS _____ LOCATION INSPECTED _____ SUB. REPORT/abd. _____

980513 LA'D eff. 5.6.98

DATE FILED JULY 23, 1996

LAND: FEE & PATENTED

STATE LEASE NO.

PUBLIC LEASE NO. U-071745

INDIAN

DRILLING APPROVED: NOVEMBER 20, 1996

SPUDDED IN:

COMPLETED: 5.6.98 LA'D NOT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: May 6, 1998 LA'D

FIELD: UNDESIGNATED

UNIT: BRENNAN BOTTOM

COUNTY: UINTAH

WELL NO. BRENNAN FEDERAL 18

API NO. 43-047-32775

LOCATION 358 FNL FT. FROM (N) (S) LINE, 329 FWL

FT. FROM (E) (W) LINE, NW NW

1/4 - 1/4 SEC. 20

| TWP. | RGE. | SEC. | OPERATOR | TWP. | RGE. | SEC. | OPERATOR |
|------|------|------|----------|------|------|------|-------------------|
| | | | | 7S | 21E | 20 | CHEVRON USA PROD. |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒ GAS-WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Chevron U.S.A. Production Company, Inc.

3. ADDRESS AND TELEPHONE NO.

11002 E. 17500 S. Vernal, Utah 84078 (801) 781-4300

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

385' FNL & 329' FWL, NWNW

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

±28 miles south of Vernal, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

329'

(Also to nearest drlg. Unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1439'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4693' GL

5. LEASE DESIGNATION AND SERIAL NO.

U-071745

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Brennan Bottom Unit

8. FARM OR LEASE NAME, WELL NO.

Brennan Federal #18

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

Brennan Bottom

11. SEC., T., R., M., OR BLOCK AND SURVEY
OR AREA

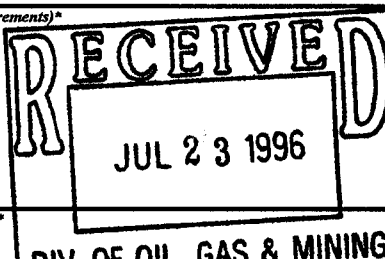
SEC.20-T7S-R21E, SLBM

12. COUNTY OR PARISH

Uintah

13. STATE

UT



16. *NO. OF ACRES IN LEASE

676.8

17. *NO. OF ACRES ASSIGNED
TO THIS WELL

NA

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

August 1, 1996

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|-------------------------------------------------|
| 12-1/4" | K-55 8-5/8" | 24# | 600' | 300 SX. CLASS A |
| 7-7/8" | N-80 5-1/2" | 17# | 7150' | 665 SX. HI-FILL STD. LEAD, 720 SX. CLASS H TAIL |
| | | | | |

Attachments: Certified Plat
8 Point Drilling Plan
13 Point Surface Use Plan
Self-certification Statement

24. SIGNED [Signature] TITLE ASSET TEAM LEADER DATE 7-18-96

(This space for Federal or State office use)

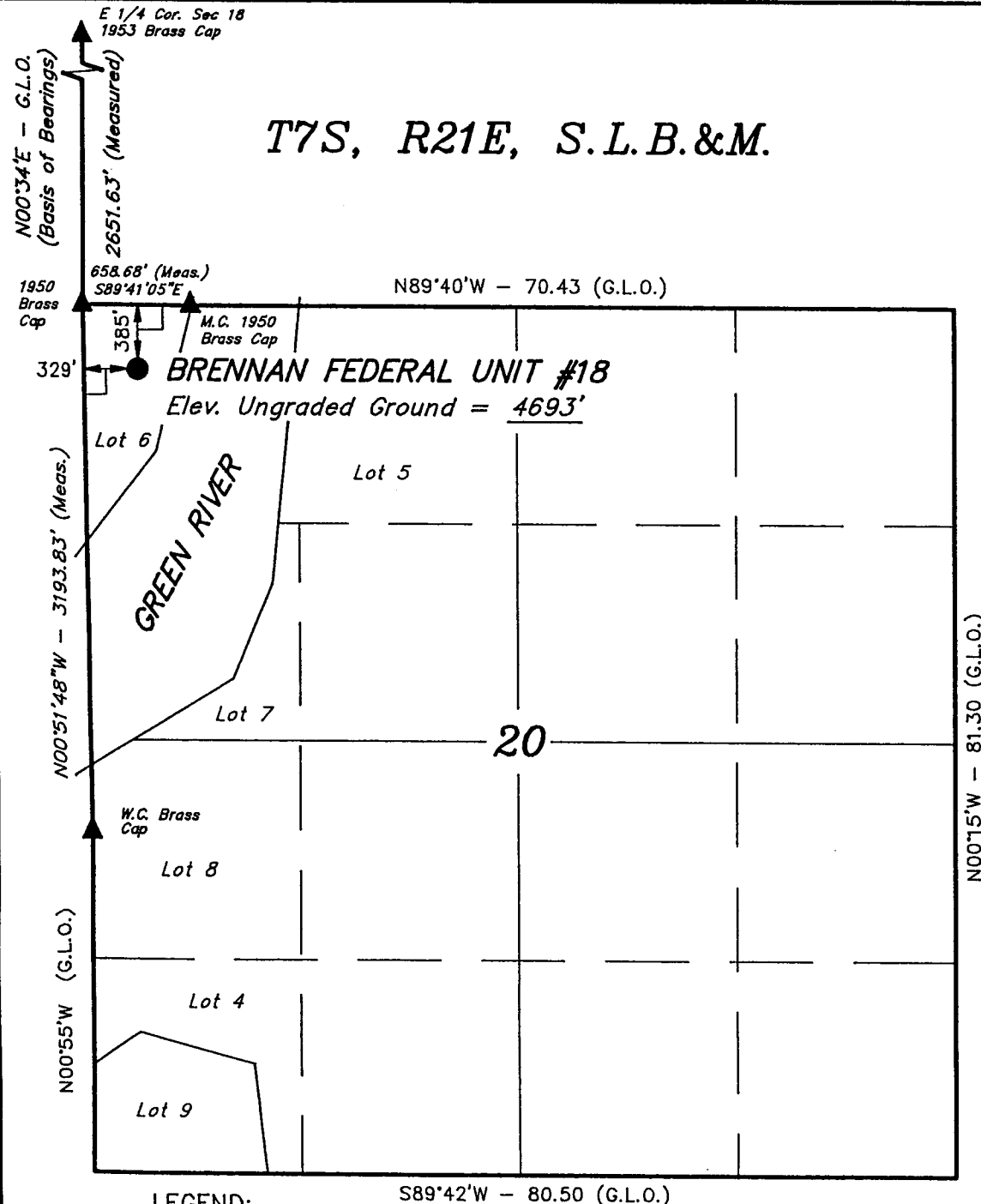
PERMIT NO. 43-1047-32775 APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY [Signature] TITLE Production Engineer DATE 11/20/96

*See Instructions On Reverse Side



LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

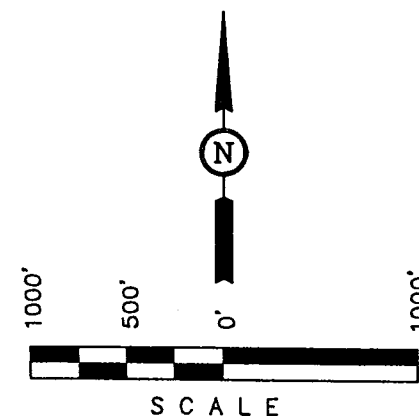
▲ = SECTION CORNERS LOCATED.

CHEVRON U.S.A., INC.

Well location, BRENNAN FEDERAL UNIT #18,
located as shown in Lot 6 of Section 20,
T7S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION
20, T7S, R21E, S.L.B.&M. TAKEN FROM THE BRENNAN
BASIN, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE
QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED
STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY.
SAID ELEVATION IS MARKED AS BEING 4698 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM
FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY
SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
BEST OF MY KNOWLEDGE AND BELIEF.

Robert L. Key
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

| | | |
|---------------------------|------------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 6-19-96 | DATE DRAWN: 6-22-96 |
| PARTY B.B. M.C. C.B.T. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE CHEVRON U.S.A., INC. | |

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DEPARTMENT OF THE INTERIOR
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OR APPLIED FOR, ON THIS LEASE, FT.

1439'

19. PROPOSED DEPTH

7150'

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Rotary

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4693' GL

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Attachments: Certified Plat

8 Point Drilling Plan

13 Point Surface Use Plan

Self-certification Statement

24. SIGNED

TITLE

DATE

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

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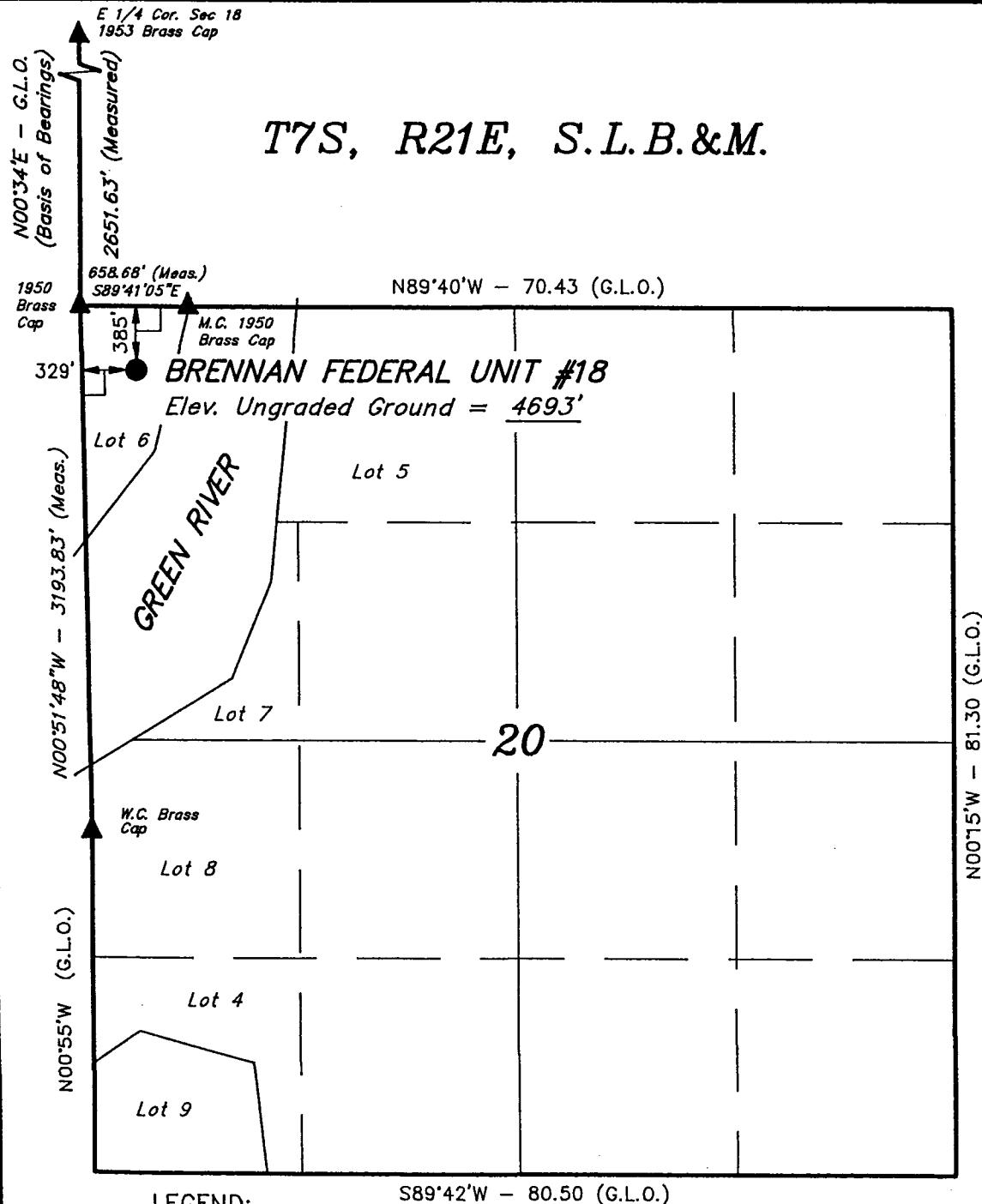
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side



LEGEND:

└ = 90° SYMBOL

● = PROPOSED WELL HEAD.

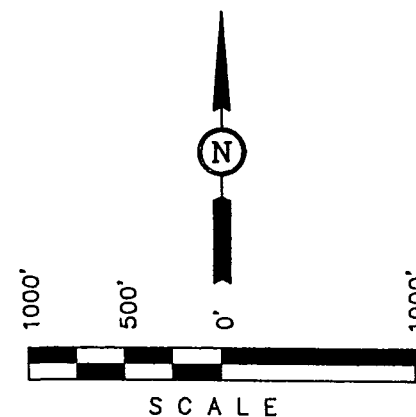
▲ = SECTION CORNERS LOCATED.

CHEVRON U.S.A., INC.

Well location, BRENNAN FEDERAL UNIT #18,
located as shown in Lot 6 of Section 20,
T7S, R21E, S.L.B.&M. Uintah County, Utah.

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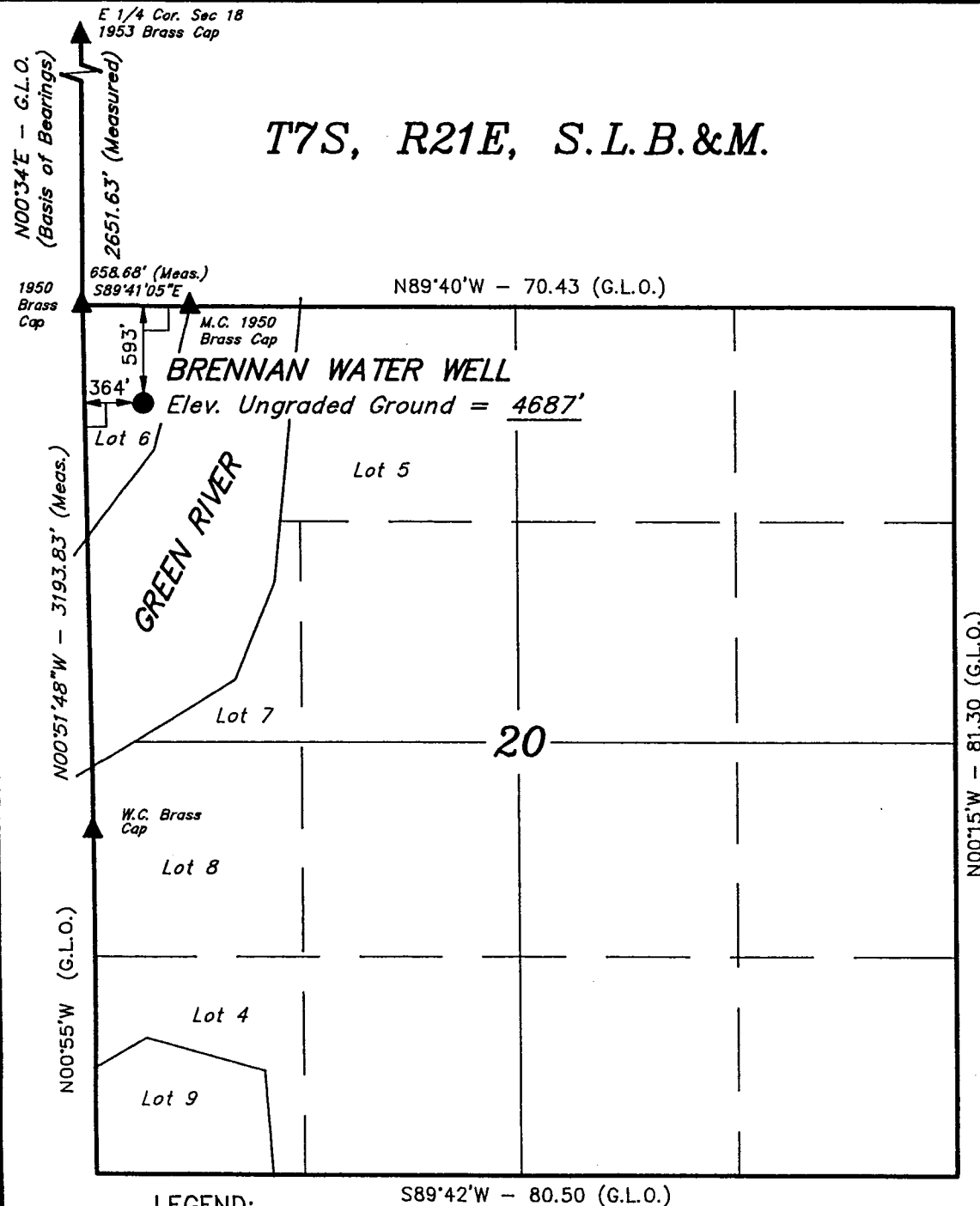
CERTIFICATE

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SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE
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Robert L. Hay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

| | | |
|---------------------------|------------------------------|------------------------|
| SCALE 1" = 1000' | DATE SURVEYED: 6-19-96 | DATE DRAWN: 6-22-96 |
| PARTY B.B. M.C. C.B.T. | REFERENCES G.L.O. PLAT | |
| WEATHER HOT | FILE CHEVRON U.S.A., INC. | |



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● = PROPOSED WELL HEAD.

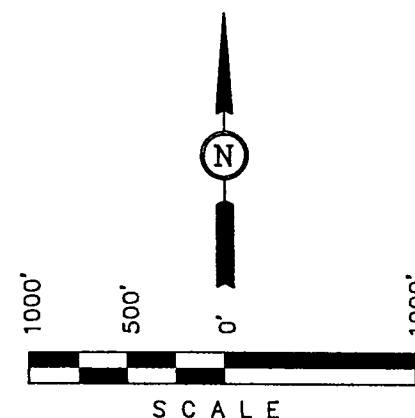
▲ = SECTION CORNERS LOCATED.

CHEVRON U.S.A., INC.

Well location, BRENNAN WATER WELL,
located as shown in Lot 6 of Section 20,
T7S, R21E, S.L.B.&M. Uintah County, Utah.

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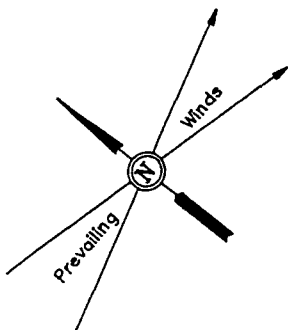
UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
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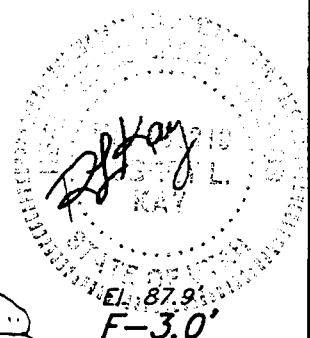
CHEVRON USA., INC.

LOCATION LAYOUT FOR

BRENNAN FEDERAL UNIT #18
SECTION 20, T7S, R21E, S.L.B.&M.
385' FNL 329' FWL



SCALE: 1" = 50'
DATE: 6-22-96
Drawn By: C.B.T.



NOTE:

FLARE PIT IS TO BE LOCATED A MINIMUM OF 100' FROM THE WELL HEAD.

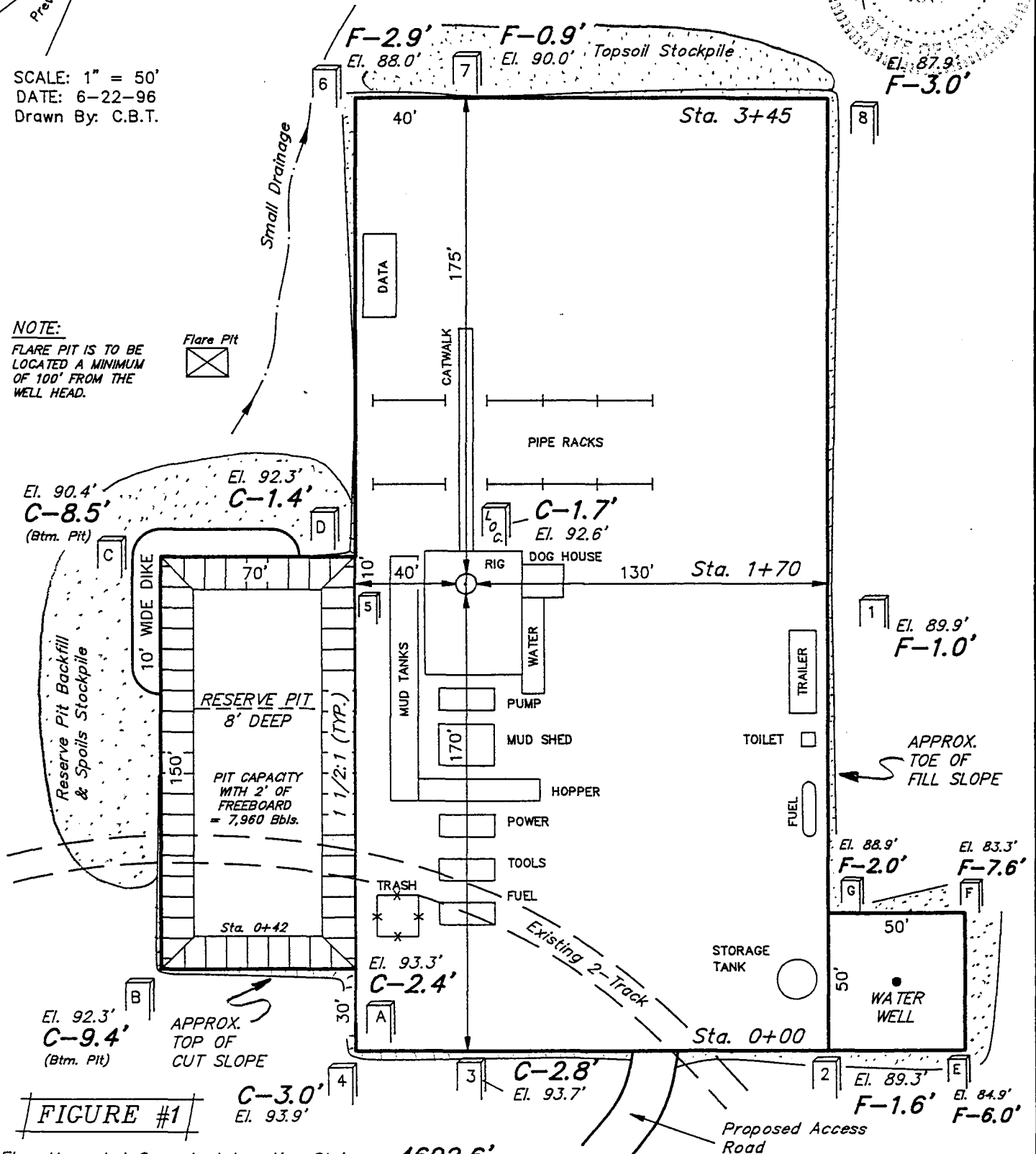


FIGURE #1

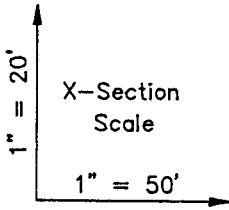
Elev. Ungraded Ground at Location Stake = 4692.6'
Elev. Graded Ground at Location Stake = 4690.9'

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CHEVRON USA., INC.

TYPICAL CROSS SECTIONS FOR

BRENNAN FEDERAL UNIT #18
SECTION 20, T7S, R21E, S.L.B.&M.
385' FNL 329' FWL



DATE: 6-22-96
Drawn By: C.B.T.

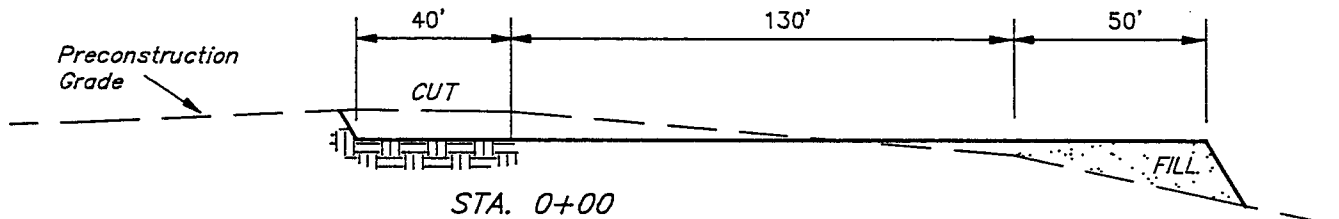
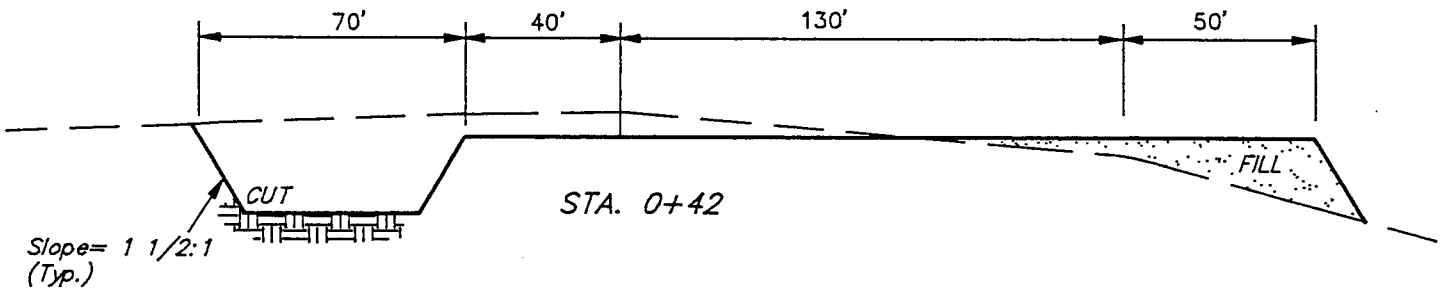
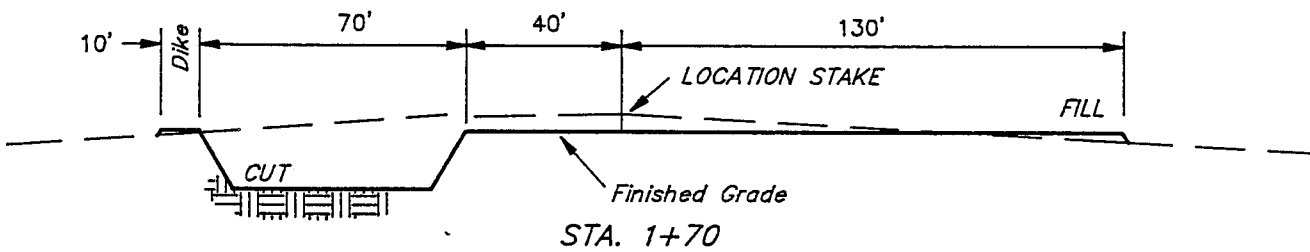
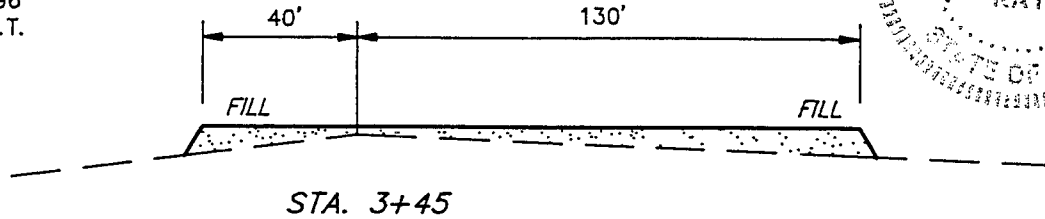


FIGURE #2

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,330 Cu. Yds.
Remaining Location = 3,620 Cu. Yds.

TOTAL CUT = 4,950 CU.YDS.

FILL = 2,300 CU.YDS.

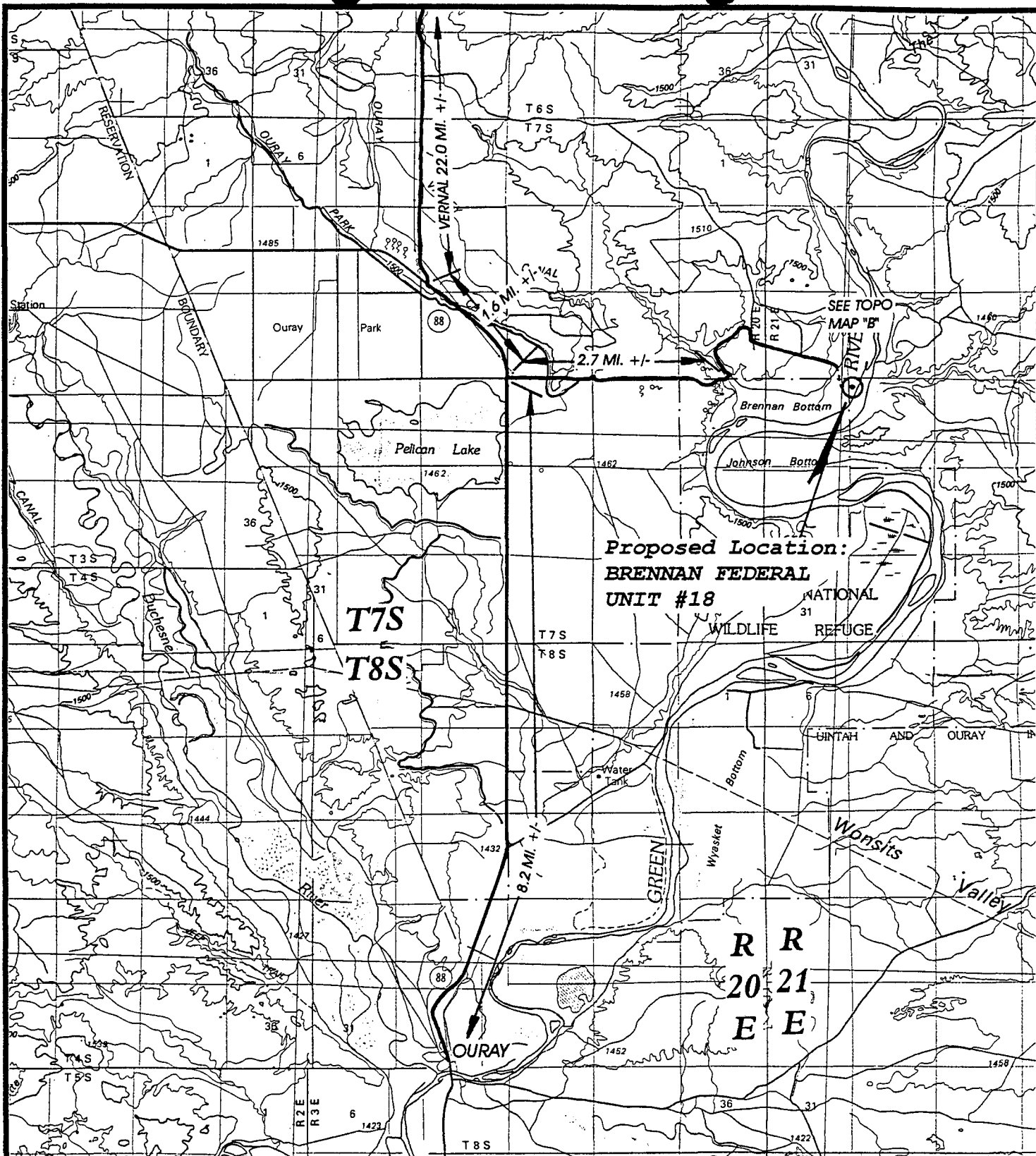
EXCESS MATERIAL AFTER 5% COMPACTION

= 2,530 Cu. Yds.

Topsoil & Pit Backfill
(1/2 Pit Vol.) = 2,530 Cu. Yds.

EXCESS CUT MATERIAL = 0 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



UELS

TOPOGRAPHIC MAP "A"

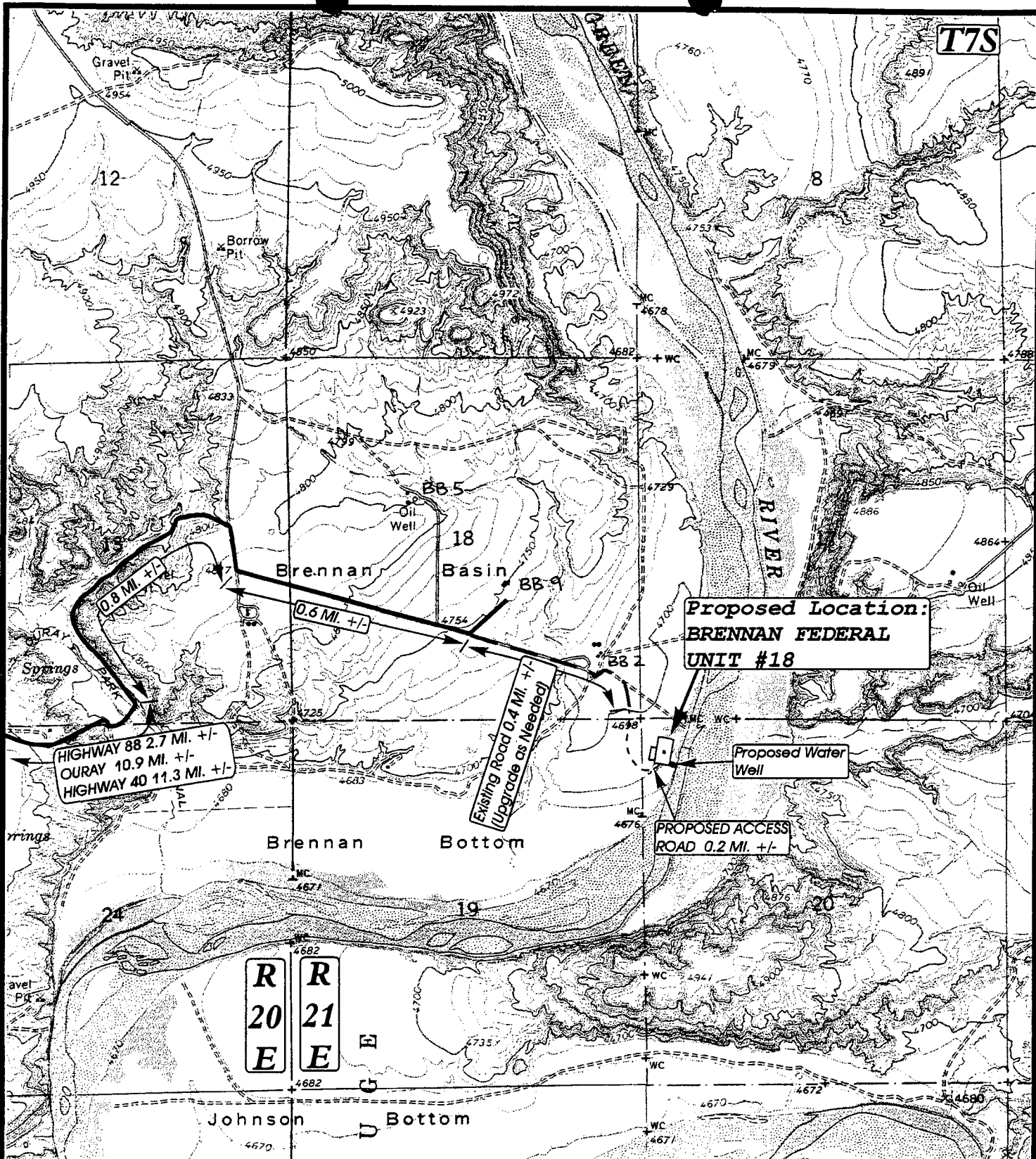
DATE: 6-21-96
Drawn by: C.B.T.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 780-1017



CHEVRON USA, INC.

BRENNAN FEDERAL UNIT #18
SECTION 20, T7S, R21E, S.L.B.&M.
385' FNL 329' FWL



UELS

TOPOGRAPHIC MAP "B"

DATE: 6-21-96
Drawn by: C.B.T.

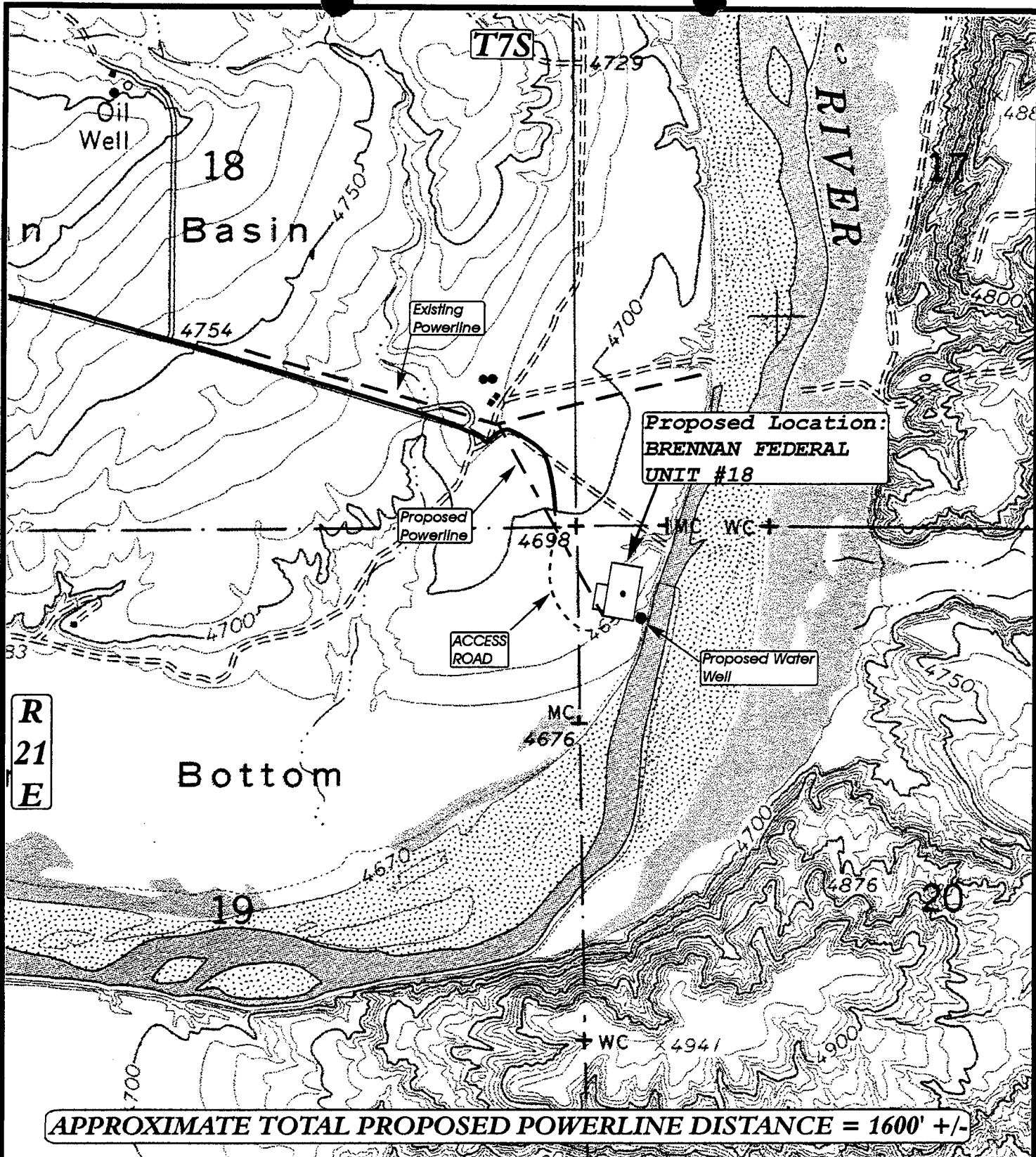
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



SCALE: 1" = 2000'

CHEVRON USA, INC.

BRENNAN FEDERAL UNIT #18
SECTION 20, T7S, R21E, S.L.B.&M.
385' FNL 329' FWL



**TOPOGRAPHIC
MAP "C"**

UELS

----- Existing Powerline
----- Proposed Powerline



SCALE: 1" = 1000'

CHEVRON USA, INC.

**BRENNAN FEDERAL UNIT #18
SECTION 20, T7S, R21E, S.L.B.&M.**

DATE: 6-25-96

Drawn by: C.B.T.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

CHEVRON USA PRODUCTION CO.

**BRENNAN FEDERAL #18
385' FNL & 329' FWL
NWNW-S20-T7S-R21E
UINTAH COUNTY, UTAH**

EIGHT POINT DRILLING PLAN

1. ESTIMATED FORMATION TOPS:

| | |
|-------------|---------|
| Uinta | Surface |
| Green River | ~2978' |
| Oil Shale | ~4633' |
| G1 Lime | ~6478' |
| H4a Marker | ~6753' |
| Wasatch | ~6803' |

**2. ESTIMATED DEPTHS OF TOP AND BOTTOM OF WATER, OIL, GAS, OR
OTHER MINERAL BEARING FORMATIONS AND PLAN FOR PROTECTION:**

Deepest Fresh Water: ~1750', Uinta Formation.

Oil Shale: Oil shale is expected between depths of ~4633-4953'.

Oil: Oil is expected in several intervals between the depths of 6478' and 6903'.

Gas: Minor shows may be encountered below ~2500'.

Protection of oil, gas, water, or other mineral bearing formations:
Protection shall be accomplished by cementing surface casing and production casing back to the surface or to depths sufficient to isolate required formations. Please refer to casing and cement information for protection plans.

3. PRESSURE CONTROL EQUIPMENT:

For drilling 12-1/4" surface hole to 660':

No BOP equipment required.

BRENNAN FEDERAL #18 - EIGHT POINT DRILLING PLAN

For drilling through 8.625" surface casing to TD:

Maximum anticipated surface pressure <1600 psi

Pressure control equipment shall be in accordance with BLM minimum standards for 3000 psi equipment.

A casing head with an 11", 3000 psi flange will be welded onto the 8.625" surface casing.

BOP stack will consist of a double gate and annular preventor. The double gate will be equipped with pipe rams on bottom and blind rams on top. The choke and kill lines will be connected to outlets between the bottom and top rams, utilizing either the ram body outlets or a drilling spool with side outlets. The BOP stack will be 9" or 11" bore, 3000 psi working pressure. The choke and kill lines will be 2" or 3" bore, 3000 psi working pressure. Please refer to attached schematics.

Test procedure and frequency shall be in accordance with BLM minimum standards for 3000 psi equipment.

4. SUPPLEMENTAL DRILLING EQUIPMENT AND CASING INFORMATION:

Casing Information:

| Casing | Conn. | New/ Used | Stage Tool | Centralizers |
|--------|-------|--------------|---------------|-----------------------------------------------------|
| 8.625" | STC | New | None | 10' above shoe, on 1st and 3rd collars |
| 5.5" | LTC | New | None | 10' above shoe, every other collar to top of pay |

Cement Information:

8.625" Casing: Oilfield type cement circulated in. Class A single slurry mixed to 15.6 ppg, yield = 1.19 cf/sx. Fill to surface with 357 cf (300 sx). Tail plug used. Allowed to set under pressure.

BRENNAN FEDERAL #18 - EIGHT POINT DRILLING PLAN

5.5" Casing: Lead/tail oilfield type cement circulated in.

Tail slurry - 50/50 Class H/pozzolan + 2% gel + additives as required mixed to 14.1 ppg, yield = 1.23 cf/sx; or Class G + 12.5 lb/sx. gilsonite + additives as required mixed to 14.8 ppg, yield = 1.34 cf/sx. Fill to ~6100' (~500' above top of pay) with 312 cf (254 sx. or 233 sx.).

Lead slurry - Class A + extender + additives mixed to 11.0 ppg, yield = 3.82 cf/sx. Fill to surface using ~1602 cf (419 sx.).

Tail plug used. Allowed to set under pressure.

Drilling Equipment:

Surface hole will be drilled and surface casing set with a small rotary surface hole rig.

A rotating head may be used while drilling below surface casing for control of gas cut mud.

5. CIRCULATING MEDIUM, MUD TYPE, MINIMUM QUANTITIES OF WEIGHT MATERIAL, AND MONITORING EQUIPMENT:

Surface hole will be drilled with air, air/mist, foam or mud depending on hole conditions. Drilling below surface casing will be with water based drilling fluids consisting primarily of fresh water, bentonite, lignite, caustic, lime, soda ash, and polymers. No chromates will be used. It is not intended to use oil in the mud, however, in the event it is used, oil concentration will be less than 4% by volume. Maximum anticipated mud weight is ~9.5 ppg.

No minimum quantity of weight material will be required to be kept on location.

PVT/Flow Show will be used from base of surface casing to TD.

Gas detector will be used from base of surface casing to TD.

BRENNAN FEDERAL #18 - EIGHT POINT DRILLING PLAN

6. ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING, AND CORING:

Logging:

| | |
|---------------------------|-------------|
| Mud logging | ~560' to TD |
| Gamma Ray | TD to ~560' |
| Spontaneous Potential | TD to ~560' |
| Induction | TD to ~560' |
| Density/Neutron | TD to 3500' |
| Sonic | None |
| Formation Micro Imager | None |
| Magnetic Resonance Imager | TD to 6427' |

Coring: None

Testing: None planned.

7. EXPECTED BOTTOM HOLE PRESSURE AND ANY ANTICIPATED ABNORMAL PRESSURE, TEMPERATURES, OR OTHER HAZARDS (H₂S, STEAM, ETC.) AND ASSOCIATED CONTINGENCY PLANS:

Normal pressure gradient to TD, although target interval may be slightly pressure depleted. Drill with water or unweighted mud.

Maximum expected BHP @ 7150': ~3096 psi (~0.433 psi/ft.).

Maximum expected BHT @ 7150': ~165° F.

No abnormal hazards are anticipated and no contingency plans are required.

8. OTHER:

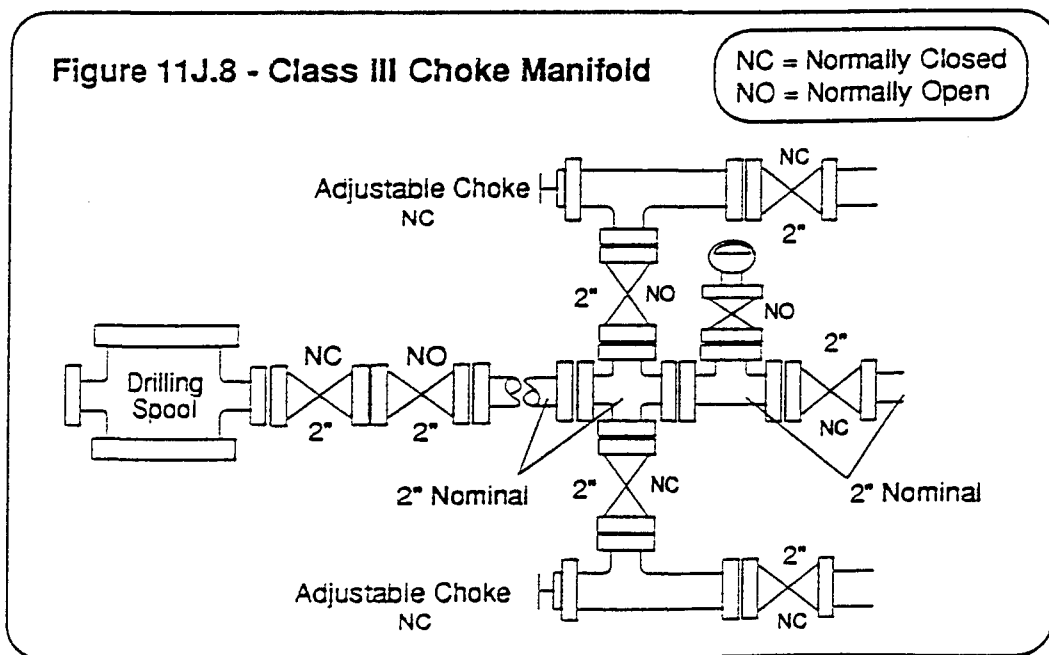
None.

CHEVRON DRILLING REFERENCE SERIES
VOLUME ELEVEN
WELL CONTROL AND BLOWOUT PREVENTION

D. CLASS III CHOKE MANIFOLD

The Class III choke manifold is suitable for Class III workovers and drilling operations. The Standard Class III choke manifold is shown in Figure 11J.8 below. Specific design features of the Class III manifold include:

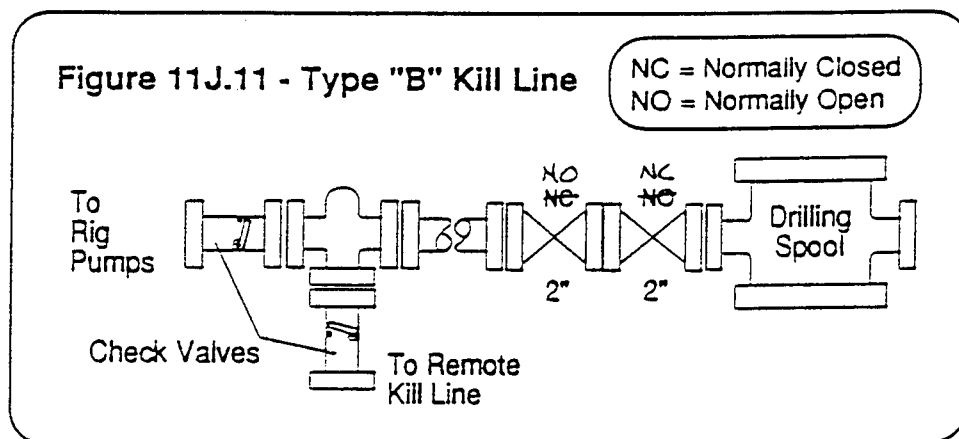
1. The manifold is attached to a drilling spool or the top ram preventer side outlet.
2. The minimum internal diameter is 2" (nominal) for outlets, flanges, valves and lines.
3. Includes two steel gate valves in the choke line at the drilling spool outlet. The inside choke line valve may be remotely controlled (HCR).
4. Includes two manually adjustable chokes which are installed on both side of the manifold cross. Steel isolation gate valves are installed between both chokes and the cross, and also downstream of both chokes.
5. Includes a bleed line which runs straight through the cross and is isolated by a steel gate valve.
6. Includes a valve isolated pressure gauge suitable for drilling service which can display the casing pressure within view of the choke operator.
7. Returns through the choke manifold must be divertible through a mud-gas separator and then be routed to either the shale shaker or the reserve pit through a buffer tank or manifold arrangement.
8. If the choke manifold is remote from the wellhead, a third master valve should be installed immediately upstream of the manifold cross.



D. TYPE "B" KILL LINE — CLASS III, IV , AND V WELLS

The type B kill line described below in Figure 11J.11 is the minimum recommended hookup for installation on all Class III, Class IV and Class V wells. Specific design features of the type B kill line include:

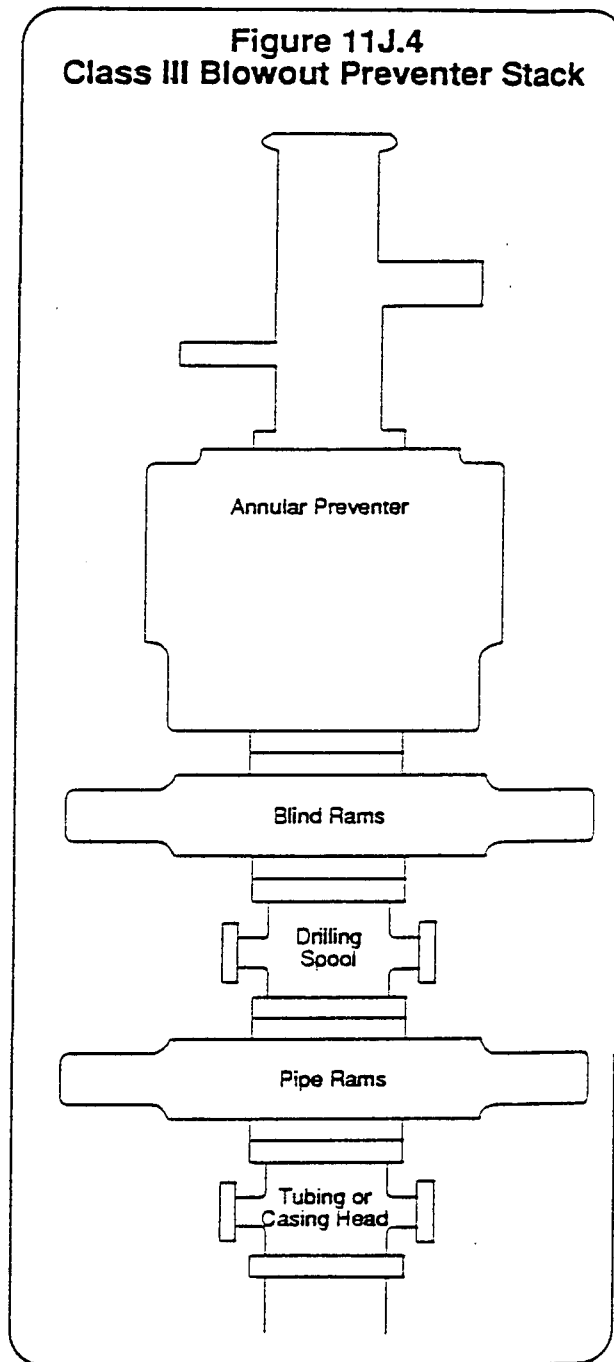
1. The preferred kill line connection to the well is at the drilling spool, however, a preventer side outlet may be used when space restrictions exclude the use of a drilling spool. In all cases, the kill line must be installed below the uppermost blind rams so the well can be pumped into with no pipe in the hole.
2. The arrangement includes two - 2" (nominal) gate valves installed at the drilling spool and an upstream fluid cross. The outside valve may be hydraulically remote controlled.
3. Two pump-in lines should be attached to the fluid cross. The **primary kill line** should be routed to the rig standpipe where it can be manifolded to the rig pumps. The **remote kill line** should be run to a safe location away from the rig or to the rig cementing unit. The remote kill line should have a loose end connection for rigging-up a high pressure pumping unit.
4. Both the primary kill line and the remote kill line must include a 2" check valve which is in working condition while drilling. If a check valve is crippled for testing purposes, the flapper or ball must be re-installed and tested before drilling resumes.
5. The primary kill line must include a pressure gauge which can display the pump-in pressure on the rig floor.
6. Any lines which are installed at the wellhead are designated as "**emergency kill lines**" and should only be used if the primary and remote kill lines are inoperable.



E. CLASS III BLOWOUT PREVENTER STACK:

The Class III preventer stack is designed for drilling or workover operations. It is composed of a single hydraulically operated annular preventer on top, then a blind ram preventer, a drilling spool, and a single pipe ram preventer on bottom. The choke and kill lines are installed onto the drilling spool and must have a minimum internal diameter of 2". All side outlets on the preventers or drilling spool must be flanged, studded, or clamped. An emergency kill line may be installed on the wellhead. A double ram preventer should only be used when space limitations make it necessary to remove the drilling spool. In these instances, the choke manifold should be connected to a flanged outlet between the preventer rams only. In this hookup, the pipe rams are considered master rams only, and cannot be used to routinely circulate out a kick. The Class III blowout preventer stack is shown to the right in Figure 11J.4.

Figure 11J.4
Class III Blowout Preventer Stack



CHEVRON USA PRODUCTION CO.

**BRENNAN FEDERAL #18
385' FNL & 329' FWL
NWNW-S20-T7S-R21E, SLB&M
UINTAH COUNTY, UTAH**

THIRTEEN POINT SURFACE USE PLAN

1. EXISTING ROADS:

A. See Topographic Map A. There are no plans to change, alter or improve upon any existing state or county road.

B. See Topographic Map A. Proposed access road begins approximately 28.1 miles from Vernal, UT.

2. ACCESS ROADS TO BE CONSTRUCTED OR RECONSTRUCTED:

See Topographic Maps A and B. An access road approximately 0.2 mile in length is proposed.

3. LOCATION OF EXISTING WELLS WITHIN ONE MILE:

See Topographic Map B.

4. LOCATION OF EXISTING OR PROPOSED FACILITIES IF WELL IS PRODUCTIVE:

A. See Topographic Map B.

B. Rod pumping equipment, a line heater and production tankage will be installed on the location.

C. Disturbed areas no longer needed for operations will be graded back to as near original state as possible. Drainage channels will be returned to original state and the areas will be reseeded as prescribed by the BLM.

D. A cathodic protection system will be installed on location following well completion.

BRENNAN FEDERAL #18 - THIRTEEN POINT SURFACE USE PLAN

E. A water supply well for the waterflood project will be drilled at the edge of the location as shown.

5. LOCATION AND TYPE OF WATER SUPPLY:

Water from the following sources will be used during drilling and completion.

A. Wonsits Valley Federal Unit water supply wells, July 2, 1965 Application #A-4646, paragraph 16.

1. 2471' South & 2122' East of the NW corner of Sec. 6-T8S-R21E, SLBM.
2. 2473' South & 2272' East of the NW corner of Sec. 6-T8S-R21E, SLBM.
3. 2474' South & 2422' East of the NW corner of Sec. 6-T8S-R21S, SLBM.

B. Water well in Ouray operated by A-1 Tank and Brine, Permit #43-8496.

1. East 400'. North 200' from S1/4 Cor. Sec. 32-T4s-R3E, USBM, Uintah County, Utah.

C. City water from Ouray provided by and via Ouray Brine's facility in Ouray. No permit.

Transportation of water shall be by tank truck. The water well shown is for waterflood purposes only.

6. CONSTRUCTION MATERIALS:

Native dirt and gravel will be used as construction materials.

7. METHODS FOR HANDLING WASTE DISPOSAL:

A. A reserve pit will be constructed to contain excess drilling fluids. The pit will be lined.

B. Excess reserve pit fluid will be disposed of via evaporation, or hauled-off to a commercial disposal facility.

C. Drill cuttings will be caught and settled in the reserve pit and buried when the pit is backfilled.

BRENNAN FEDERAL #18 - THIRTEEN POINT SURFACE USE PLAN

D. Commercial service will provide portable toilets and haul-off to a commercial disposal facility.

E. Trash will be stored in trash containers and hauled to commercial or municipal facility for disposal.

F. It is not anticipated that any salt or chemicals will need to be disposed of. If required, disposal will be by commercial disposal facility.

G. In the event fluids are produced, any oil will be transferred to existing facilities within Brennan Bottom Unit and sold. Any water will be transferred to Red Wash Unit disposal facilities.

H. Hazardous chemicals 10,000lb. of which will most likely be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the hazardous chemicals in quantities of 10,000 lb. or more will be associated with these operations.

I. Extremely hazardous substances threshold quantities of which will be used, produced, stored, transported or disposed of in association with the proposed action of drilling, completing and producing this well: We anticipate that none of the extremely hazardous substances in threshold quantities per 40 CFR 355 will be associated with these operations.

8. ANCILLARY FACILITIES:

None.

9. WELLSITE LAYOUT:

A. See Figures 1 and 2.

B. Burn pit will not be lined.

C. Access to the well pad will be as shown on Topographic Map B.

BRENNAN FEDERAL #18 - THIRTEEN POINT SURFACE USE PLAN

10. PLAN FOR RESTORATION OF SURFACE:

A. All surface areas not required for production operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum. Any rock encountered in excavation will be disposed of beneath backfill to return surface to its present appearance and provide soil for seed growth.

B. The topsoil will be evenly distributed over the disturbed areas. Reseeding will be performed as directed by the BLM.

C. Pits that would present a hazard to wildlife or livestock will be backfilled when the rig is released and removed.

D. Completion of the well is planned during 1996. Rehabilitation will commence following completion of the well. If the wellsite is to be abandoned, all disturbed areas will be recontoured to the natural contour as soon as possible.

11. SURFACE OWNERSHIP:

The wellsite, access roads and production facilities are constructed on federal lands. The operator shall contact the BLM office at (801) 789-1362 between 24 and 48 hours prior to construction activities.

12. OTHER INFORMATION:

A. The well is located in hilly and sandy terrain. Vegetation consists of sagebrush and natural grasses around the location. The soil is a poorly developed, semi-arid, thin topsoil layer over the Uintah Formation.

B. Surface use activities other than the oil and gas well facilities consist of grazing.

C. There are no occupied dwellings near the wellsite.

BRENNAN FEDERAL #18 - THIRTEEN POINT SURFACE USE PLAN

13. COMPANY REPRESENTATIVE:

Mr. J. T. Conley
11002 East 17500 South
Vernal, UT 84078
(801) 781-4301

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Chevron USA Production Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

7-18-96
Date



J. T. Conley
Red Wash Asset Team Leader

United States Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 West
Vernal, UT 84078

SELF-CERTIFICATION STATEMENT

Be advised that Chevron USA Production Company is considered to be the operator of Brennan Federal Unit #18, NWNW-Sec.20-T7S-R21E, Uintah County, Utah, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nationwide Bond #U-89-75-81-34 (Standard Oil Co. of California and its wholly owned subsidiary Chevron USA Production Co., as co-principals) via surety consent as provided for in 43 CFR 3104.2.

Sincerely,



J. T. Conley
Red Wash Area Team Leader

DATE: 7-18-96

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/23/96

API NO. ASSIGNED: 43-047-32775

WELL NAME: BRENNAN BOTTOM #18
OPERATOR: CHEVRON USA INC (N0210)

PROPOSED LOCATION:

NWNW 20 - T07S - R21E
SURFACE: 0385-FNL-0329-FWL
BOTTOM: 0385-FNL-0329-FWL
UINTAH COUNTY
UNDESIGNATED FIELD (002)

LEASE TYPE: FED
LEASE NUMBER: U - 071745

PROPOSED PRODUCING FORMATION: GRRV

INSPECT LOCATION BY: / /

| TECH REVIEW | Initials | Date |
|-------------|----------|------|
| Engineering | | |
| Geology | | |
| Surface | | |

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Federal ☐ State ☐ Fee ☐
(Number 489-75-81-34)
☒ Potash (Y/N)
☒ Oil shale (Y/N)
☒ Water permit
(Number 43-8496)
☒ RDCC Review (Y/N)
(Date: _____)

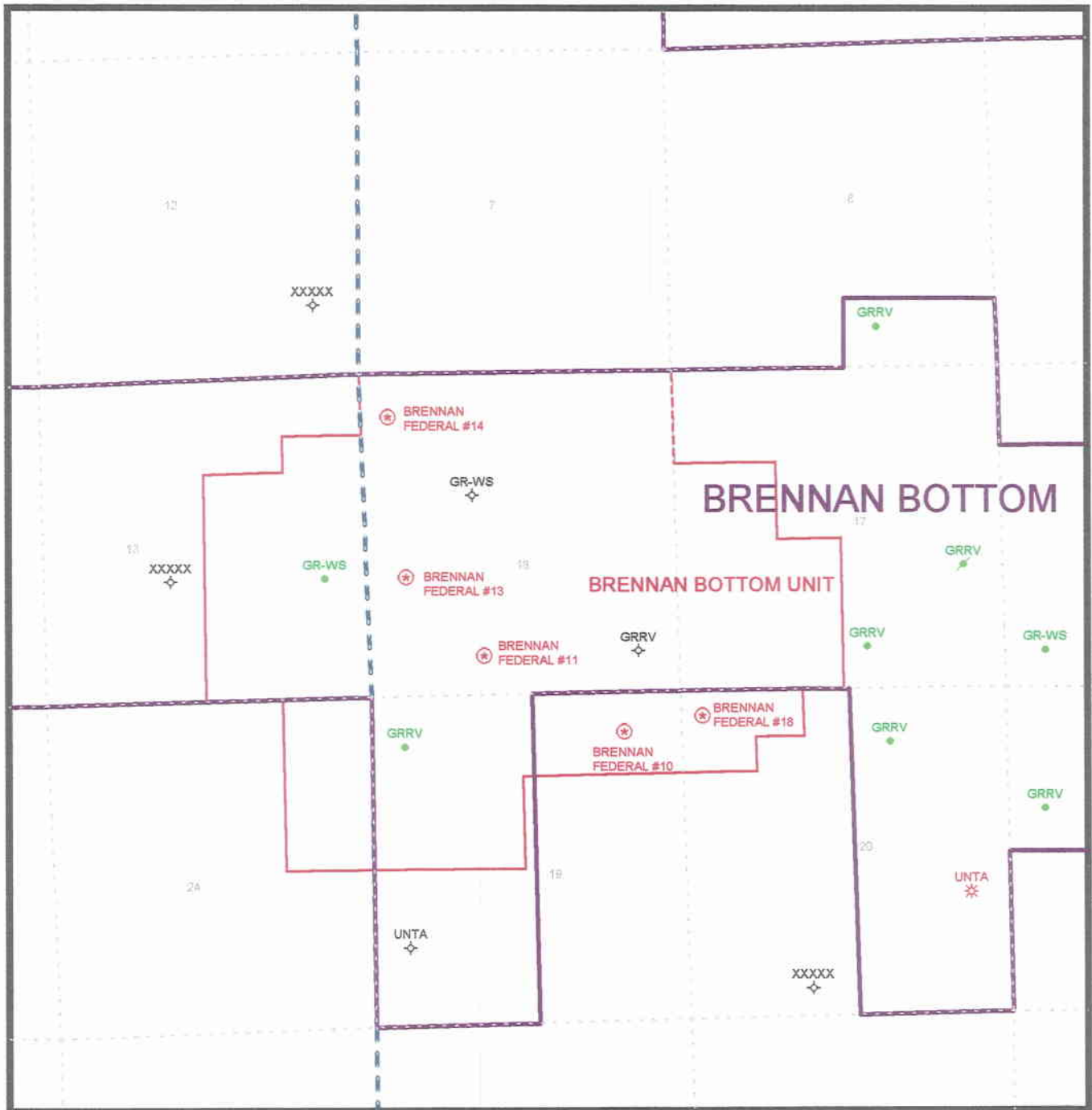
LOCATION AND SITING:

☒ R649-2-3. Unit: Brennan Bottom
☐ R649-3-2. General.
☐ R649-3-3. Exception.
☐ Drilling Unit.
Board Cause no: _____
Date: _____

COMMENTS: _____

STIPULATIONS: _____

OPERATOR: CHEVRON
FIELD: BRENNAN BOTTOM (560)
SEC, TWP, RNG: SEC. 18, 19, 20 T7S, R21E
COUNTY: UINTAH
UAC: R649-3-2



PREPARED:
DATE: 23-JULY-96

STATE OF UTAH, DIV OF OIL, GAS & MINERALS

| | |
|-----------------------------------------|---------------------------------------|
| Operator: CHEVRON USA PRODUCTION | Well Name: BRENNAN FED 18 |
| Project ID: 43-047-32775 | Location: SEC. 20 - T7S - R21E |

Design Parameters:

Mud weight (9.50 ppg) : 0.494 psi/ft
 Shut in surface pressure : 2980 psi
 Internal gradient (burst) : 0.077 psi/ft
 Annular gradient (burst) : 0.000 psi/ft
 Tensile load is determined using air weight
 Service rating is "Sweet"

Design Factors:

Collapse : 1.125
 Burst : 1.00
 8 Round : 1.80 (J)
 Buttress : 1.60 (J)
 Other : 1.50 (J)
 Body Yield : 1.50 (B)

| Length (feet) | | Size (in.) | Weight (lb/ft) | Grade | Joint | Depth (feet) | Drift (in.) | Cost | |
|------------------|---------------------------------------------|---------------|-------------------|------------------------|----------------------------|-----------------|----------------------------------------------|------|--------|
| 1 | 7,150 | 5.500 | 17.00 | N-80 | LT&C | 7,150 | 4.767 | | |
| | Collapse Load Strgth S.F. (psi) (psi) | | | Burst Load (psi) | Min Int Strgth (psi) | Yield S.F. | Tension Load Strgth S.F. (kips) (kips) | | |
| 1 | 3529 | 6280 | 1.780 | 3529 | 7740 | 2.19 | 121.55 | 348 | 2.86 J |

Prepared by : MATTHEWS, Salt Lake City, Utah
 Date : 11-21-1996
 Remarks :

GRRV

Minimum segment length for the 7,150 foot well is 1,500 feet.

SICP is based on the ideal gas law, a gas gravity of 0.69, and a mean gas temperature of 124°F (Surface 74°F , BHT 174°F & temp. gradient 1.400°/100 ft.)

String type: Production

The mud gradient and bottom hole pressures (for burst) are 0.494 psi/ft and 3,529 psi, respectively.

NOTE: The design factors used in this casing string design are as shown above. As a general guideline, Lone Star Steel recommends using minimum design factors of 1.125 - collapse (with evacuated casing), 1.0 - (uniaxial) burst, 1.8 - API 8rd tension, 1.6 - buttress tension, 1.5 - body yield tension, and 1.6 - EUE 8rd tension. Collapse strength under axial tension was calculated based on the Westcott, Dunlop and Kemler curve. Engineering responsibility for use of this design will be that of the purchaser.
 Costs for this design are based on a 1987 pricing model. (Version 1.07)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

November 20, 1996

Chevron USA Production Company, Inc.
11002 East 17500 South
Vernal, Utah 84078-8526

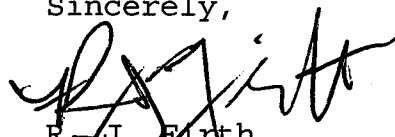
Re: Brennan Federal #18 Well, 358' FNL, 329' FWL, NW NW,
Sec. 20, T. 7 S., R. 21 E., Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-32775.

Sincerely,


R. L. Firth
Associate Director

lwp

Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office



Operator: Chevron USA Production Company, Inc.
Well Name & Number: Brennan Federal #18
API Number: 43-047-32775
Lease: U-071745
Location: NW NW Sec. 20 T. 7 S. R. 21 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews at (801)538-5334 or Mike Hebertson at (801)538-5333.

3. Reporting Requirements

All required reports, forms and submittals shall be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE*
(Other instructions
reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires December 31, 1991

RECEIVED

JUL 23 1996

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒ DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒ GAS-WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Chevron U.S.A. Production Company, Inc.

3. ADDRESS AND TELEPHONE NO.

11002 E. 17500 S. Vernal, Utah 84078

(801) 781-4300

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

385' FNL & 329' FWL, NWNW

At proposed prod. Zone

Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

±28 miles south of Vernal, Utah

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.

329'

(Also to nearest drlg. Unit line, if any)

16. NO. OF ACRES IN LEASE

676.8

17. NO. OF ACRES ASSIGNED
TO THIS WELL

NA

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1439'

19. PROPOSED DEPTH

7150'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

4693' GL

22. APPROX. DATE WORK WILL START*

August 1, 1996

PROPOSED CASING AND CEMENTING PROGRAM

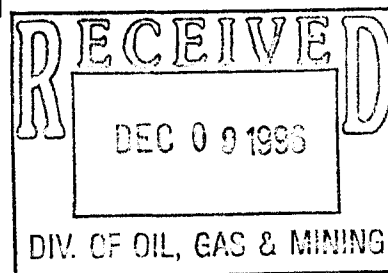
| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|-------------------------------------------------|
| 12-1/4" | K-55 8-5/8" | 24# | 600' | 300 SX. CLASS A |
| 7-7/8" | N-80 5-1/2" | 17# | 7150' | 665 SX. HI-FILL STD. LEAD, 720 SX. CLASS H TAIL |

Attachments: Certified Plat

8 Point Drilling Plan

13 Point Surface Use Plan

Self-certification Statement



24. SIGNED

TITLE

ASSET TEAM LEADER

DATE

7-18-96

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

TITLE

Assistant Field Manager
Mineral Resources

DATE

NOV 20 1996

NOTICE OF APPROVAL

*See Instructions On Reverse Side

CONDITIONS OF APPROVAL ATTACHED

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Chevron U.S.A. Production Company, Inc.

Well Name & Number: Brennan Bottom Federal 18

API Number: 43-047-32775

Lease Number: UTSL- 071745

Location: Lot 6 (NWNW) Sec. 20 T. 7S R. 21E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 2,308 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to $\pm 2,108$ ft. cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal Field Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 789-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PLAN
Conditions of Approval

Methods for Handling Waste Disposal:

A plastic nylon reinforced liner will be used for the reserve pit, it will be a minimum of 12 mil thickness with sufficient bedding material(either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be constructed to hold excess drilling fluids without breaking or seepage.

After first production, produced water will be confined to the pit or to a storage tank for a period not to exceed 90 days. During that period, in accordance Onshore Order #7, an application for approval of a permanent disposal method and location, along with required water analysis, shall be submitted for the Authorized Officer's approval.

The reserve pit will be fenced on three sides during drilling operations and on the fourth side when the rig moves off of the location. The reserve pit will be reclaimed within 180 days from the date of well completion. Before the pit is reclaimed it must be completely dry and all cans, barrels, pipe etc. will be removed.

Other Additional Information:

a. The Operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;

- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and

- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate

If the operator wishes, at any time, to relocate activities to avoid expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- b. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered lands it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or hazardous chemicals.
 - c. Powerlines will be designed to avoid electrical hazards to perching raptors.
 - d. Roads will be watered and/or chemically stabilized in order to reduce fugitive dust.
 - e. Facilities will be painted with colors that blend with the surrounding landscape after consultation with the BLM
 - f. The water supply well will be drilled as described in Environmental Assessment (No. 1996-59) 2.2.3. Figure 2-3 is attached. The well head would be enclosed in a small, low profile building. Dimensions of the water well enclosure would be approximately 10 feet by 10 feet with a maximum peak height of 15 feet.
 - g. The proposed oil well is located in an area which serves as a winter roosting and foraging area for bald eagles. The drilling of the oil well shall take place after April 1 and before November 15, 1997 for a time period in order to avoid disturbance to wintering eagles. This restriction does not apply to the proposed water well.
- As per phone conversation with Wes Fortek (on November 14), Chevron wants to drill the water well so that it can be used if the sundry Chevron is submitting for a water line to well #9 and the load area to be established there is approved. This would serve as a possible source for water to be used in drilling of other locations in the Brennan Bottom Unit.
- h. A complete copy of the approved APD with any applicable ROW grants and Conditions of Approval included in the approval for the APD shall be on location during the construction of the location and drilling activities.

Proposed Source Water Well Design Brennan Bottom

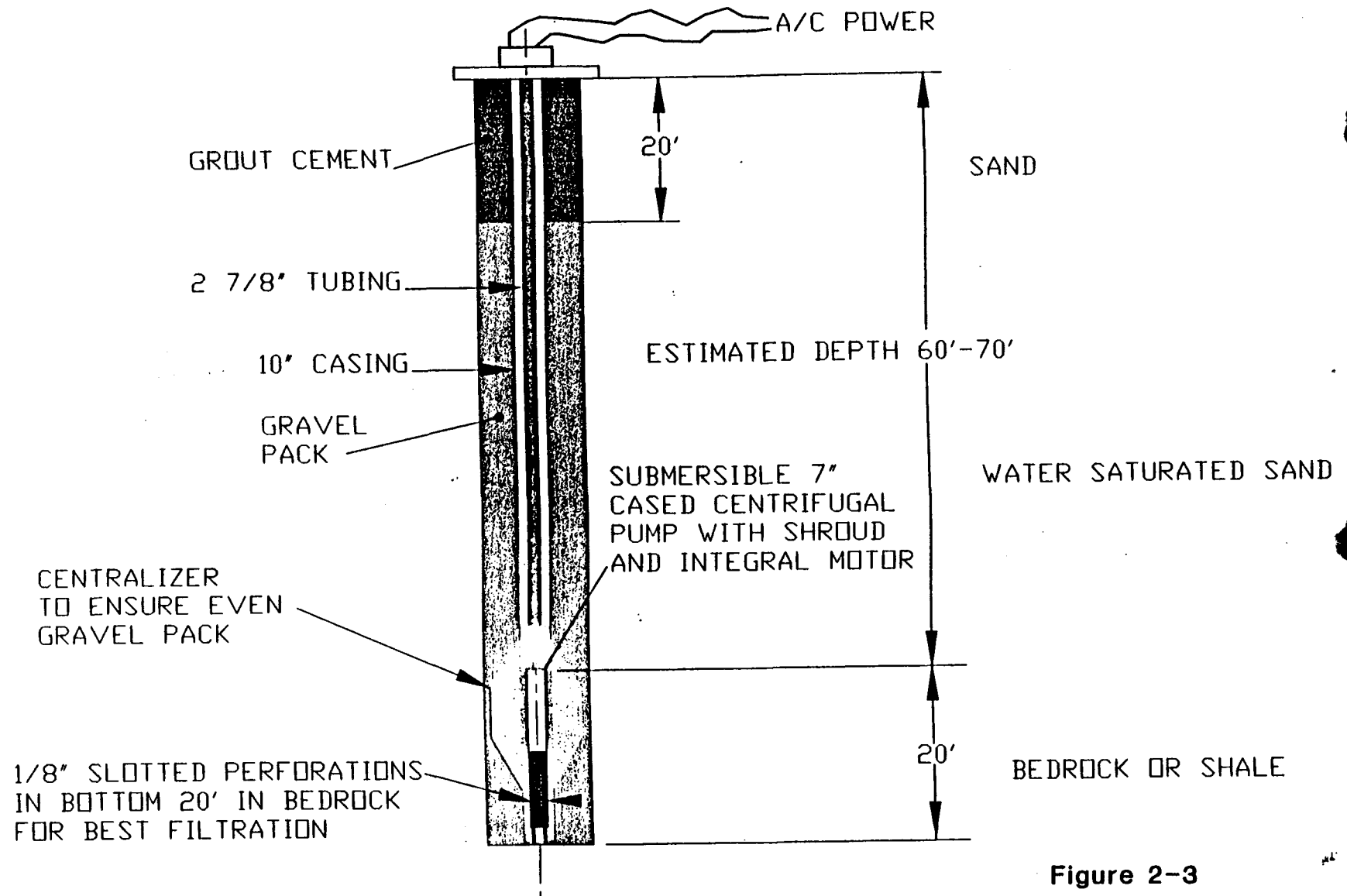


Figure 2-3



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (435) 781-4400
Fax: (435) 781-4410

IN REPLY REFER TO:
3162
UT08300

April 29, 1998

Chevron U.S.A. Production Co.
11002 E 17500 S
Vernal, Utah 84078

Re: Notification of Expiration
Well No. 18
Section 20, T7S, R21E
Lease No. UTSL-071745
Uintah County, Utah

43-047-32775

Gentlemen:

The Application for Permit to Drill the above-referenced well was approved on November 20, 1996. Since that date no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

According to our records there has been surface disturbance on this drill site. The surface disturbance needs to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M

